

Message Text

CONFIDENTIAL

PAGE 01 BONN 03545 271639Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 SS-15
NSC-05 /056 W

-----051921 272229Z /72

R 271624Z FEB 78

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6213

INFO AMEMBASSY LONDON

AMEMBASSY BRUSSELS

USMISSION USNATO

USMISSION USBERLIN

AMEMBASSY PARIS

C O N F I D E N T I A L BONN 03545

BRUSSELS FOR FAA

E.O. 11652: GDS

TAGS: EAIR, PGOV, WB, FR, GW, UK

SUBJECT: CIVAIR: AIR ALSACE FARES ON BERLIN-SAARBRUECKEN
ROUTE

REF: A. BONN 461, B. BONN 584

1. AIR ALSACE, WHICH HAS RECEIVED ALLIED CIVIL AIR
ATTACHE (CAA) APPROVAL IN PRINCIPLE TO OPERATE SCHEDULED
SERVICES BETWEEN BERLIN AND SAARBRUECKEN, HAS FILED A
FARE WITH THE CAA'S THAT IS 12 PERCENT HIGHER ON A
DISTANCE BASIS THAN HIGHEST OF OTHER INNER GERMAN
SERVICE (IGS) FARES. FIRM'S COMMERCIAL DIRECTOR
ROBERT PAUGET APPEARED BEFORE CAA'S FEBRUARY 22 TO
JUSTIFY THE FARE REQUEST.

2. ACCORDING TO PAUGET, HIS AIRLINE WAS APPROACHED
BY THE SAARLAND GOVERNMENT AS TO ITS WILLINGNESS TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 03545 271639Z

OPERATE THE SERVICE. AFTER STUDY AND EXTENDED NEGOTIA-
TIONS AMONG THE AIRLINE, THE LAND GOVERNMENT AND VFW-
FOKKER, THE PRODUCER OF THE VFW FOKKER WHICH AIR ALSACE
HAS LEASED TO USE ON THE SERVICE, AIR ALSACE AGREED TO
UNDERTAKE THE SERVICE PROVIDING THAT THE SAARLAND
GOVERNMENT PROVIDE A SUBSIDY OF DM 500,000 PER YEAR
FOR FIVE YEARS AND THAT THE FARE BE NO LOWER THAN THAT

SPECIFIED IN THE AIRLINE'S FILING. BOTH THE SAARLAND OFFICIALS AND AIR ALSACE ALSO HAVE HAD DISCUSSIONS WITH THE FEDERAL MINISTRY OF TRANSPORT (FMT).

3. WITH THE FARE REQUESTED, AIR ALSACE ESTIMATES THAT IT NEEDS A LOAD FACTOR OF 72 PERCENT (33.5 PASSENGERS) TO BREAK EVEN. THIS IS BECAUSE THE VFW 614 IS A NEW, EXPENSIVE AIRCRAFT AND BECAUSE UTILIZATION OF THE AIRCRAFT IS EXPECTED TO BE VERY LOW, POSSIBLY LESS THAN 1400 HOURS PER YEAR. PAUGET SAID THAT THE HIGH COST, LOW CAPACITY AND SHORT RANGE OF THE AIRCRAFT MAKES IT UNATTRACTIVE TO CHARTERERS. ADDITIONAL SCHEDULED ROUTES ARE BEING SOUGHT, BUT PAUGET WAS NOT OPTIMISTIC ABOUT THESE. PAUGET CLAIMED THAT THE SAARLAND AUTHORITIES HAD INSISTED ON A HIGH CLASS SERVICE, I.E. WITH A JET, AND PAUGET ARGUED THAT THE SUPERIOR SERVICE THE VFW WOULD OFFER IN COMPARISON TO A TURBO-PROP JUSTIFIED A HIGHER FARE.

4. AIR ALSACE HAD REQUESTED THAT THE DIRECTOR OF CIVIL AVIATION OF THE SAARLAND GOVERNMENT, JUNG, BE PRESENT AT THE MEETING. THE CAA'S DECIDED THAT THIS WOULD NOT BE APPROPRIATE BUT AGREED TO SEE JUNG SEPARATELY IF HE WISHED TO APPEAR. WE EXPECT TO MEET WITH JUNG IN THE NEXT WEEK OR SO.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BONN 03545 271639Z

MEEHAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR FARES, AIR ROUTES
Control Number: n/a
Copy: SINGLE
Draft Date: 27 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BONN03545
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780090-0501
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780210/aaaaaikj.tel
Line Count: 95
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 03c2cdcc-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 BONN 461, 78 BONN 584
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3427660
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: AIR ALSACE FARES ON BERLIN-SAARBRUECKEN ROUTE
TAGS: EAIR, PGOV, WB, FR, GE, UK, CAA
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/03c2cdcc-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014